

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Economic Research Area, ORR
THRU : Chief, Materials Division, ORR
FROM : Chief, Chemicals Branch, D/M/RR

DATE: 28 May 1958

SUBJECT: Relative Importance of [REDACTED] 25X1X4
REF : Chief, ERA, Memo of 22 May 1958 (Secret)

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1. In accordance with the request made in referenced memo, the following comments are submitted on the relative importance of [REDACTED] concerning the chemical industries of the Sino-Soviet Bloc. The titles and report numbers of some [REDACTED] documents which have been particularly helpful to this Branch are also listed.

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2. The importance of [REDACTED] reports compared with other sources which provide economic intelligence information on the chemical industry, varies considerably depending on the geographic area. The greatest volume of documents and the most valuable information received in [REDACTED] concerns the European Satellites, especially East Germany. Some valuable information is received via this source on Communist China but relatively little information is provided on the USSR and North Korea. In general, [REDACTED] have proved superior to other sources in providing intelligence on specific chemical products and on the production of individual chemical plants. In addition, detailed commodity trade data from [REDACTED] are continuously used to support efforts to control exports of strategic commodities to the Bloc (COCOM). Also,

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[REDACTED] reports are unequalled in reporting the functions and resolutions of CEMA. Two important reports concerning CEMA are -- "The Council for Economic Mutual Assistance (CEMA)" [REDACTED] of 12 June 1957), and "CEMA Resolutions Concerning Soviet Bloc Chemical Industry" [REDACTED] of 29 June 1956).

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3. The following are specific comments regarding [REDACTED] reporting on some of the Bloc countries:

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East Germany

There is generally good overt coverage for over-all statistics, but it is necessary to depend on [REDACTED] material for breakdowns of production data by plants, trade information by commodity and country, and for data on distribution and inputs.

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Particularly useful [redacted] documents received during the past year include the following:

[redacted]

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These contain monthly reports prepared on official East German government forms and list planned and actual supply and distribution for a number of chemical commodities. They contain data on production, imports, and exports.

[redacted]

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These reports contain proposed plans for production at most of the larger East German chemical plants, and show entire production schedules for the plants. They include supplemental information on actual production for the preceding year, prices of commodities, and amount of output consumed by the plants themselves.

[redacted]

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This document contained reports prepared on official East German forms by over 20 chemical plants and gave for each plant: output, by product, in quantity and value terms; financial data; manpower and wage statistics; and electric power consumption.

[redacted]

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These two documents contained bi-weekly reports, on East German forms, showing planned and actual production of many major chemicals by individual producing plants.

[redacted]

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This report was a comprehensive study on the East German sulfuric acid industry, present and future, and was prepared by an East German government commission.

[redacted]

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This report is a collection of documents which contain itemized production plans for a number of plants for the Second Five Year Plan (1956-60), together with estimated input requirements.

[redacted]

Czechoslovakia

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These reports furnish the only available information on the detailed breakdown of the chemical industry and reorganization currently underway. They also show to some extent the pattern of development of the industry in recent years.

[redacted]

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██████████ (Spolana Plant in Neratovice)

This report is a good example of reporting on the activities of a chemical plant. Very little information was available from other sources on this plant.

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Hungary

██████████ (Tiszavideki Chemical Combine)

Up to the time of the Hungarian Revolution, this report was the most complete and accurate document on the major industrial undertaking of the Hungarian Second Five Year Plan.

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Rumania

██████████ (Turda Chemical Plant)

These two reports supply a wealth of detailed information on current operations and future plans for one of the most important chemical producing plants in the country.

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Poland

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██████████ reports provide the most complete information on the organization of the chemical industry and personnel in the central government than is given by other sources.

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██████████ This report was very helpful for its analysis of the supply situation on pharmaceuticals, especially antibiotics, in Poland.

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██████████ These reports contain valuable information on specific chemical plants which usually is not available ██████████

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Communist China

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██████████ reports are potentially important sources of economic data on the Far East. The interchanges of trade and industry delegations between Communist China and the Free World (especially Japan) are beginning to provide valuable information which can be exploited

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through [REDACTED] In light of several recent reports the intelligence potential of these various delegations, particularly for the Chinese chemical fertilizer industry, appears especially promising and is looked on with interest by this Branch.

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[REDACTED] containing data on individual chemical plants tend in general to be largely supplementary to data from other sources. Reports such as [REDACTED] (Chemical Plants in Communist China) are helpful in identifying and locating specific plants and often in pinpointing both the quantity and nature of production. While these data are not always corroborated by other sources, cross-checking the [REDACTED] reports against each other provides useful data. For example, [REDACTED] (Status of Chinese Communist Fertilizer Plants Under Construction in 1958) provides such data and is of value.

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The enclosure to [REDACTED], which is based on a "Report

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[REDACTED] "China" in the summer of 1957, is currently being translated from the [REDACTED] Parts of this comprehensive document appear to contain pertinent data of considerable interest to this office (e.g., a chapter on "Soil Fertilizers" and another chapter on specific factories). Such current data on the Chinese fertilizer industry is of special interest at present because of the rapid developments in this area and the significance of fertilizer in the Chinese agricultural economy.

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[REDACTED] are probably among the better sources for obtaining trade data. Usually the many gaps and omissions of vital details found in such data make it difficult to get a comprehensive picture of the trade area but [REDACTED] do supplement information from overt sources and are a significant factor in conceptualizing the trade picture.

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[REDACTED] provide perhaps the best data on the progress of production and overall developments in new fields such as synthetic rubber and fibers. [REDACTED] tend to report only the successes of the Chinese Communists in production and technology. Report

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[REDACTED] (Chinese Communist Need for Development of Synthetic Fibers) indicates the degree of development in technology and is helpful in confirming or refuting information from other sources.

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